



BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: VC-536867

TRACT(S): 3

LOCATION: DICKENSON County, Virginia

TAX ID NUMBERS: Tax Map Identification Numbers for all parcels affected by this order are shown on: Exhibit B

DOCKET NUMBER: VGOB-07-0821-1989-02

APPLICANTS: EQT Production Company on behalf of Lambert Land, LLC

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
May 21, 2013

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 10/18/2007, Recorded on 11/01/2007. Deed Book/Instrument No. 444, Page 695.
2. Supplemental Order, Recorded on 01/26/2009.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 21, 2013 hearing and considered whether to:

(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 3 identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 3 relative to the interests of the Applicants identified in the attached petition.

(3) Continue the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Standard Banner Coal Corporation was a conflicting claimant with Lambert Land, LLC with regard to Tract 3 as created by Board Order VGOB 07/08/21-1989. To resolve this conflict, a letter dated March 21, 2013 signed by Conrad McNeer, President of Standard Banner Coal Corporation is attached hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit VC-536867

VGOB-07-0821-1989-02

Table 1
Tracts: 3

			Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			In Tract	inTract	Agreement	Disbursed	Disbursed
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				24.12000	
	3	Tract 3 (total acreage)		14.88			
1	3	Lambert Land, LLC\PO Box 191, Abingdon, VA 24212-0191		14.8800	100.00%	14.8800	61.6915%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

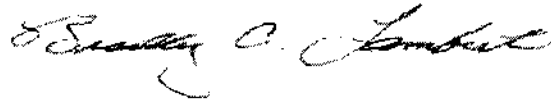
Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

DB 509 PG086

DONE AND EXECUTED this 13 day of June, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 13 day of June, 2013 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 13th day of June, 2013, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.


Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2013



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: EQT Production Company

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 07-0821-1989-02

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 3
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 21, 2013

DRILLING UNIT: VC-536867

DICKENSON COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is EQT Production Company, 225 North Shore Drive, Pittsburgh, PA 15212, (412)553-5700. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

2. Relief Sought

Petition for disbursement of escrowed funds on behalf of Lambert Land for Well VC-536867, VGOB 07/08/21-1989.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

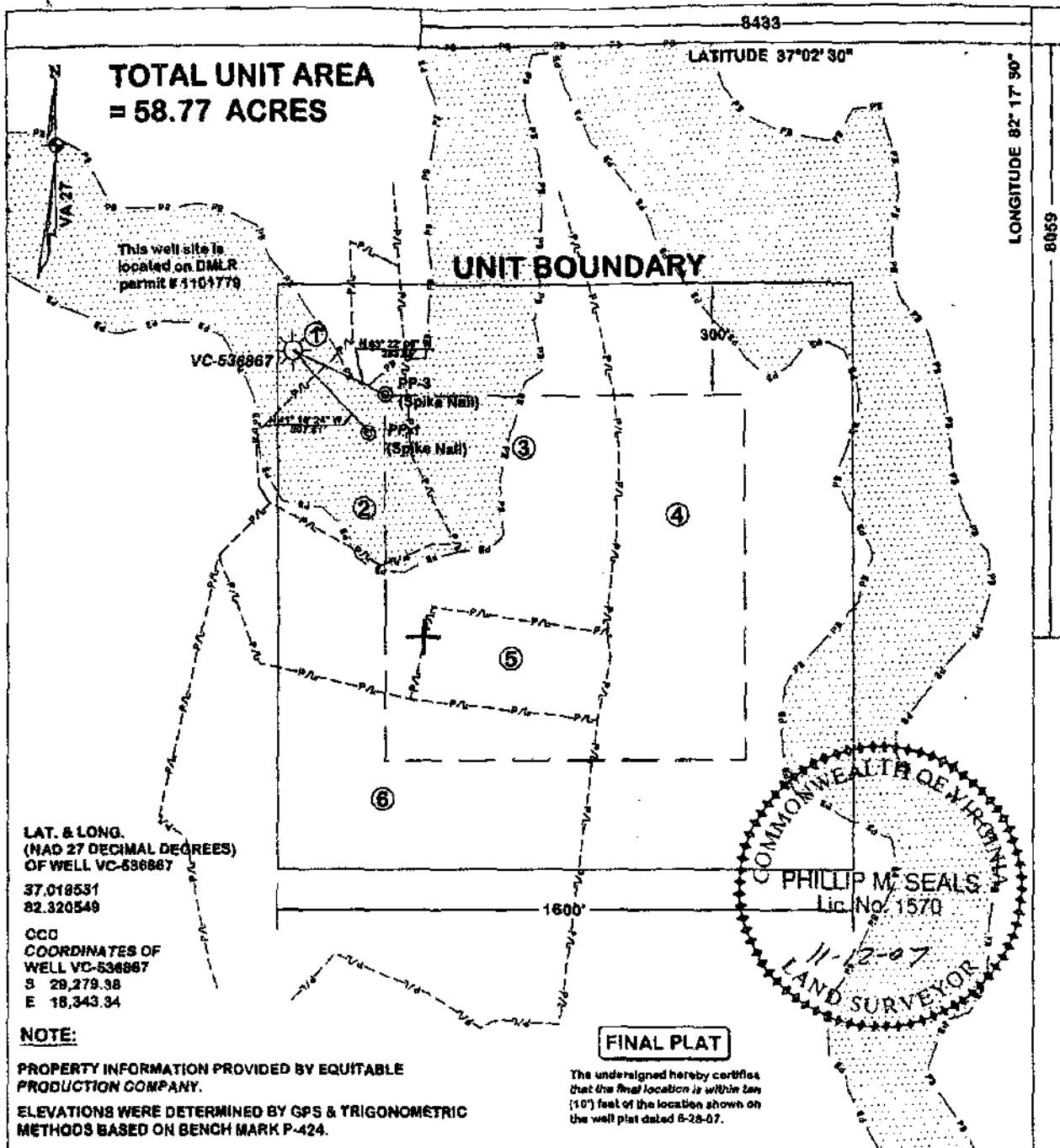
Coalbed Methane

5. Factual basis for relief requested

Standard Banner Coal Corporation was a conflicting claimant with Lambert Land, LLC with regard to Tract 3 as created by Board Order VGOB 07/08/21-1989. To resolve this conflict, a letter dated March 21, 2013 signed by Conrad McNeer, President of Standard Banner Coal Corporation is attached hereto.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



WELL LOCATION PLAT

COMPANY EQUITABLE PRODUCTION CO. WELL NAME OR NUMBER VC-536867

TRACT NO. TL-223 QUADRANGLE Nora

DISTRICT Kenady

WELL COORDINATES (VIRGINIA STATE PLANE 27) N 272,395.03 E 884,878.82

ELEVATION 2163.53 METHOD USED TO DETERMINE ELEVATION: GPS & TRIG.

COUNTY Dickenson SCALE: 1" = 400' DATE 11-12-07

THIS PLAT IS A NEW PLAT ☐ AN UPDATED PLAT ☐ ; OR A FINAL LOCATION PLAT ☒

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

Philip M. Seals

LICENSED LAND SURVEYOR

(AFFIX SEAL)

Property Ownership Information for EPCO Well # VC-536867

①

LEASE NO. 244712L
B.H. LONG HEIRS TRACT
36.976 ACRES
B.H. LONG HEIRS-surface & gas (cbm)
LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP.- coal & oil (cbm)
5747.00 ACRES
WELLMORE ENERGY COMPANY.- coal lessee
GAS 1.19 AC. 2.02%

②

LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP. - coal & oil (cbm)
5747.00 ACRES
WELLMORE ENERGY COMPANY - coal lessee
UNLEASED
LAWRENCE TURNER HEIRS - surface & gas (cbm)
GAS 5.06 AC. 8.61%

③

LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP.- coal & oil (cbm)
5747.00 ACRES
WELLMORE ENERGY COMPANY.- coal lessee
LEASE NO. 244728
LAMBERT LAND, LLC.- gas (cbm)
GAS 14.88 AC. 26.32%

④

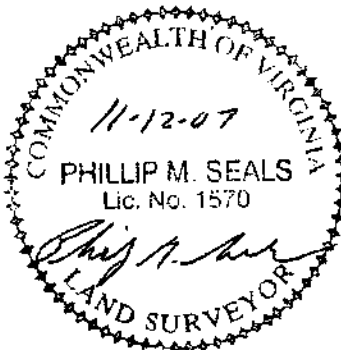
LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP.-
5747.00 ACRES
coal, oil, gas & cbm
WELLMORE ENERGY COMPANY - coal lessee
GAS 25.35 AC. 43.13%

⑤

UNLEASED
J.L. TURNER HEIRS- gas (cbm)
3.00 ACRES
LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP.-
5747.00 ACRES
coal, oil (cbm)
WELLMORE ENERGY COMPANY - coal lessee
GAS 3.00AC. 5.10%

⑥

LEASE NO. 906891
WAYNE & GENEVIE RINER- gas (cbm)
25.68 ACRES
LEASE NO. 241490L/ TL-223
STANDARD BANNER COAL CORP.-
5747.00 ACRES
coal, oil (cbm)
WELLMORE ENERGY COMPANY - coal lessee
GAS 9.30 AC. 15.82%



VGOB Disbursement
Unit VC-536867

VGOB-07-0821-1989-02

Table 1
Tracts: 3

			Fractional	Net Acreage	Royalty	Escrowed	Percent of	Disbursement
			Ownership	Ownership	Split	Acres	Escrowed Funds	
			In Tract	In Tract	Agreement	Disbursed	Disbursed	
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement				24.12000		
3 Tract 3 (total acreage)				14.88				
1	3	Lambert Land, LLC\PO Box 191, Abingdon, VA 24212-0191		14.8800	100.00%	14.8800	61.6915%	\$10,226.48

Wells contributing to the escrow account: VC-536867

DB 509 PG091

EXHIBIT "B"
VC-536867

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Denny Long and Sharon M. Long, h/w Rt. 3 Box 381 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Joseph R. Long and Tabitha G. Long, h/w P.O. Box 261 Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
	Judy Manuel, single P.O. Box 314 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Timothy R. Long and Vera W. Long, h/w Rt. 2 Box 90-L Castlewood, VA 24224 TAX ID Minerals Only	Leased 244712L	0.00505	0.2975
2	Lawrence Turner Heirs Unknown/Unlocatable TAX ID Minerals Only	Unleased	8.61%	5.05
3	Lambert Land, LLC. Box 490 Nora, VA 24272 TAX ID 4920	Leased 906216	25.32%	14.88
4	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	43.13%	25.35
5	J.L. Turner heirs Unknown/Unlocatable TAX ID Minerals Only	Unleased	5.10%	3.000
6	Wayne Riner and Genevieve Riner, h/w 4907 Long Ridge Nora, VA 24272 TAX ID 4777	Leased 906891	15.82%	9.3000
TOTAL GAS ESTATE			100.000000%	58.7700
Percentage of Unit Leased			86.290000%	
Percentage of Unit Unleased			13.710000%	
Acreage in Unit Leased				50.7200
Acreage in Unit Unleased				8.0500

EXHIBIT "B"
VC-536867

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
1	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	2.020000%	1.1900
2	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	8.610000%	5.0500
3	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	25.320000%	14.8800
4	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	43.130000%	25.3500
5	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	5.100000%	3.0000
6	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	15.820000%	9.3000
TOTAL COAL ESTATE			100.000000%	58.7700
Percentage of Unit Leased			100.000000%	
Percentage of Unit Unleased			0.000000%	
Acreage in Unit Leased				58.7700
Acreage in Unit Unleased				0.0000

EXHIBIT "E"

VC-536867

Revised 3/28/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Denny Long and Sharon M. Long, h/w Rt. 3 Box 361 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
TAX ID Minerals Only	Joseph R. Long and Tabitha G. Long, h/w P.O. Box 261 Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
	Judy Manuel, single P.O. Box 314 Lebanon, VA 24266	Leased 244712L	0.00505	0.2975
	Timothy R. Long and Vera W. Long, h/w Rt. 2 Box 90-L Castlewood, VA 24224	Leased 244712L	0.00505	0.2975
2	Lawrence Turner Heirs Unknown/Unlocatable	Unleased	8.61%	5.05
TAX ID Minerals Only				
5	J.L. Turner heirs Unknown/Unlocatable	Unleased	5.10%	3.000
TAX ID Minerals Only				
TOTAL			15.730000%	9.2400

Coal Estate Only

1	Standard Banner Coal Corp. Attn: Mike Clisso	Leased 241490	2.020000%	1.1900
TAX ID 5362				

DB 509 PG095

P.O. Box 750
Wise, VA 24293

TL-223

2	Standard Banner Coal Corp.	Leased	8.610000%	5.0500
TAX ID 5362	Attn: Mike Clisso	241490		
	P.O. Box 750	TL-223		
	Wise, VA 24293			

5	Standard Banner Coal Corp.	Leased	5.100000%	3.0000
TAX ID 5362	Attn: Mike Clisso	241490		
	P.O. Box 750	TL-223		
	Wise, VA 24293			

TOTAL			15.730000%	9.2400
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Exhibit EE
VC-536867
VGOB 07/08/21-1989
Revised 3/28/2013

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Disbursement -01</u>			
6	Wayne Riner and Genevie Riner, h/w 4907 Long Ridge Nora, VA 24272	Leased 906891	4.65
6	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293	Leased 241490 TL-223	4.65
<u>Disbursement -02</u>			
3	Lambert Land, LLC. Box 490 Nora, VA 24272 TAX ID 4920	Leased 906216	14.88
3	Standard Banner Coal Corp. Attn: Mike Clisso P.O. Box 750 Wise, VA 24293 TAX ID 5362	Leased 241490 TL-223	0.0000



Standard Banner Coal Corporation

Land and Energy Resources

29059 Rivermont Drive, Meadowview, Virginia 24361

March 21, 2013

Dennis Sutherland, Managing Member
Lambert Land, LLC
P. O. Box 191
Abingdon, VA 24212

Re: Permanent Release of CBM Royalty - Voluntary Units, Dickenson
County, Virginia VC-536082 VC-535889 VC-503440 VC-536867

Dear Mr. Sutherland:

As you are aware, EQT Production Company ("EQT") has drilled the above-referenced coalbed methane gas wells on a 30 acre tract as voluntary drilling unit on which Standard Banner owns the coal and Lambert Land owns the gas. For these wells, Standard Banner and Lambert Land are listed as having conflicting claims. The plats indicating the location of each well within the operating unit are enclosed for reference with the Lambert interest being listed as the 30 acre G.B. Lambert tract.

EQT, as operator of the unit, has placed or will place all royalty proceeds attributable to conflicting claims into an escrow or suspense account. In order to allow release of the royalty proceeds, Standard Banner, in consideration addressed in a separate letter of the same date, hereby waives any claims to past or to future royalties attributable to Lambert's interest in these and any other wells on this tract.

By copy of this letter, Standard Banner is requesting EQT to initiate distribution directly to Lambert of all current royalties, as well as all future royalties, attributable to the interests in these wells.

Sincerely,



Conrad McNeer
President

enclosures as stated

cc: Kristie Rudick, EQT, P.O. Box 23536, Pittsburgh, PA 15222
Nicole Atkison, EQT, P.O. Box 23536, Pittsburgh, PA 15222

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#130000002 IN THE CLERK'S OFFICE OF
SHERIFF OF
JULY 10 2013 11:01 AM
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SHERIFF OF